

**Department of Environment and Natural Resources
Division of Parks and Recreation
Parks and Recreation Trust Fund (PARTF)
Progress Report
March 15, 2009**

This progress report for the Parks and Recreation Trust Fund (PARTF) shows activities of and allocations from the Trust Fund for July 1 to December 31, 2008. The Division of Parks and Recreation submits this report as required under G.S. §14.6. 113-44.15(c).

General Program Description

The North Carolina Parks and Recreation Trust Fund (PARTF) was established by the North Carolina General Assembly on July 16, 1994. The General Assembly gave an initial appropriation of \$1 million to PARTF for state parks and for a local government's matching grants program. In 1996, the General Assembly authorized legislation to direct a portion of the funds collected from the excise stamp tax on deed transfers to fund the trust fund. The Parks and Recreation Authority, an 15-member board, was also created to allocate funds from PARTF to state parks and to the local government grants programs.

Pursuant to G.S. 113-44.15, the Parks and Recreation Trust Fund is to be allocated as follows:

1. Sixty-five percent (65%) for the State Parks System for capital projects, repairs and renovations of parks facilities, and land acquisition.
2. Thirty percent (30%) to provide matching funds to local government units on a dollar-for-dollar basis for local park and recreation purposes.
3. Five percent (5%) to the Division of Coastal Management for the Coastal and Estuarine Water Beach Access Program.
4. No more than three percent (3%) for operating expenses associated with managing capital improvements projects, acquiring land, and administering the local grants program.

Progress Report-July 1, 2008 to December 31, 2008

Mr. Jonathan B. Howes serves as the chairperson of the North Carolina Parks and Recreation Authority, the governing board of the North Carolina Parks and Recreation Trust Fund (PARTF). North Carolina General Statute §143B-313.1 requires the Authority to meet at least quarterly. The Authority met on July 25-26, 2008 and October 30-31, 2008. In 2009, the group is scheduled to meet on March 20-21, May 22, July 17-18 and October 30-31.

Table 1 shows the distribution of PARTF revenues as of December 31, 2008 and a projection of anticipated funds for fiscal year 2008-2009.

Appointments and Reappointments to the Parks and Recreation Authority

Each of the three offices (the Governor, Speaker of the House and President Pro Tempore of the Senate) appoint five members to the board. The appointments this year are:

Appointed by the President Pro Tempore of the Senate

- Ms. Cynthia Tart of Oak Island (reappointed to serve a second term).
- Mr. Jack Stevens of Asheville (new)

Appointed by Speaker of the House

- Mr. Michael Allen of Mount Gilead (new)

Appointed by The Governor's Office

- Mr. Walter Israel of Belmont (new)

State Parks System Capital Improvements

On October 31, 2008, the PARTF Authority met and approved \$12,208,938 for state parks capital improvement projects (Table 2). Contracts will be awarded only as funds become available. Some highlights are:

- **Gorges State Park---** In October 2008, the Authority approved design funds for construction of a 6500 square-foot visitor center, picnic area, maintenance compound and utilities.
- **Jockey's Ridge State Park---** Jockey's Ridge provides an ideal location to capture the power of the wind and develop it into a training tool to advance the knowledge of the wind turbine energy field. The project will be constructed to include a monitoring system to display the current wind speed and the amount of power being generated at that wind speed. There will also be a meter to represent the energy being delivered back into the energy grid.

- **Chimney Rock State Park** ---This project continues the repair/replacement efforts along the Scuttle Hole & secondary egress trail, allows improvements to the Rocky Broad Bridge, and makes improvements to the existing toilets to meet current code requirements.

State Parks Land Acquisition

The Parks and Recreation Authority approved land acquisition at eight state parks and one state natural area for a total of \$5.8 million. (Table 3) The Authority approved the acquisition of almost 1,900 acres.

Coastal and Estuarine Water Beach Access Program

The Division of Parks and Recreation transferred \$917,144, 5 percent of PARTF revenues, to the Division of Coastal Management. The Division of Coastal Management distributes these funds to grant recipients according to criteria approved by the Coastal Resources Commission. Grants are awarded for the Coastal and Estuarine Water Beach Access Program.

Local Government Grants Program

At the October 2008 meeting, the Authority approved a PARTF grant for Burgaw using additional funds received since the Authority's July meeting. These funds come from grants that have either been withdrawn or completed under budget.

Applicant	County	Project	Grant Amount
Town of Burgaw	Pender	Osgood Canal Greenway and Urban Trail	\$ 423,504

Thirty percent of PARTF revenues are to provide matching funds to local governments on a dollar-to-dollar matching basis for local park and recreational purposes. The division sent letters to all eligible applicants in September 2008 notifying them of the upcoming grant cycle. Staff conducted a PARTF application workshop, attended by 124 participants, in October 2008 via video conferencing at seven UNC sites across the state. The deadline to submit a grant application was February 2, 2009. The division received 89 grant applications from local governments asking for \$27.6 million in assistance. The Authority will meet in early May and July to select grant recipients. Prior to awarding grants, the members will review project evaluations and other relevant data prepared by the applicant and by division staff.

Program Administrative Expenditures

As established in G.S. 113-44.5, up to 3 percent of PARTF money may be used by the Department of Environment and Natural Resources for operating expenses associated with managing capital improvements projects, acquiring land, and administering the grants program for local governments. The administrative costs of the trust fund are reported annually in the year end report. During the past three fiscal years, administrative costs have been held to approximately two percent. With revenues down this year, administrative expenses are likely to be very near three percent.

Certificates of Participation

To support North Carolina's on-going conservation efforts, the 2008 General Assembly authorized \$50 million (\$25 million for the Parks and Recreation Trust Fund and \$25 million for the Natural Heritage Trust Fund) through certificates of participation (COPs) for land acquisition. At the October meeting, the Parks and Recreation Authority approved financing \$25 million for land acquisitions projects (Table 4).

Revision of 2007-08 Certificates of Participation Projects

In FY 2007-08, the Authority approved land acquisition projects in the amount of \$50 million for the state parks system using COPS revenue authorized by the General Assembly in the 2007 session. The Authority at the October meeting authorized adjustments to the previously approved list of projects (Table 5). Changes were needed due to a number of factors:

- 1) Negotiations to acquire Grandfather Mountain proceeded more quickly than the Elk Knob State Park – Long Hope Valley area.
- 2) More tracts were added to Elk Knob State Park – Snake Mountain project because land costs were lower than estimated and there were more willing sellers in the project area.
- 3) The Chimney Rock Park project was adjusted to remove the Bottomless Pools tracts which were not under contract to purchase and purchase other tracts that were under contract.

**Table 1: Parks and Recreation Trust Fund
Distribution of Revenues as of December 31, 2008 and FY 2008-2009
Revenue Projections**

Item	Year-to-Date Distribution	FY 2008-2009 Revenue Projections
Total Revenues	\$ 18,910,188	\$32,669,517
Public Beach and Coastal Waterfront Access Program (5%)	\$ 917,144	\$ 1,584,472
Local Governments Matching Grants (30%)	\$ 5,502,865	\$ 9,506,829
State Parks System (65%)	\$ 11,922,874	\$20,598,131
Administrative Expenses (Up to 3%)	\$ 567,306	\$ 980,086

**Table 2: State Parks System Capital Projects for Fiscal Year 2008-09
Approved July and October 2008**

Park	Description	Costs (\$)
Master Plans	Carver's Creek, Haw River, Chimney Rock	305,000
Park System	Major Maintenance Funds	1,500,000
Park System	Trail Maintenance Funds	500,000
Park System	Statewide Construction Reserve	590,663
Park System	Demolition Funds	200,000
Park System	Exhibit Repair Funds	100,000
Carver's Creek	Interim Facilities for visitors and staff	500,000
Chimney Rock	Rocky Broad Bridge, Trail, & Facility Improvements	1,600,000
Gorges	Visitor Center, Sewer, Picnic Area, Maintenance Area	6,263,275
Haw River	Brown Summit Center, Youth and Administration Building Improvements	500,000
Jockey's Ridge	Wind Turbine	150,000
TOTAL		12,208,938

**Table 3: State Parks System Land Acquisition Projects for FY 2008 – 2009
October 2008**

Unit	Acres	Proposed	Description
Bear Paw State Natural Area	35	\$350,000	Two tracts under option within study area for this site
Carvers Creek State Park	4	\$150,000	Buyout of remaining interest in inholding with structures needed for site operation
Dismal Swamp State Park	90	\$290,000	Southern access tract and buildable uplands
Eno River State Park	62	\$400,000	Key trail connection tract in Buckquarter Creek area
Haw River State Park	80	\$1,060,000	Tract on Mears Fork where Mountains-to-Sea Trail enters the state park - under option
Lake Waccamaw State Park	221	\$300,000	Cove Swamp tract for water quality and rare species habitat protection
Merchants Millpond State Park	86	\$100,000	Bennetts Creek tract under contract for water quality and natural resource protection
New River State Park	75	\$1,000,000	Tracts in the vicinity of rest stop #1 and Gentry bridge and tracts at Wagoner Road
Occoneechee Mt State Natural Area	65	\$400,000	Resource protection and access tracts in negotiations
Pettigrew State Park	179	\$350,000	Scuppernong River tract under contract
Yellow Mountain State Natural Area	1,000	\$250,000	Southern Appalachian Highlands Conservancy (SAHC) tracts in study area for this site
Associated land expenses and existing boundary surveys	0	\$1,200,000	Land expenses such as surveys, appraisals, title work, interest payments and other overhead expenses for all land projects including from other funding sources.
Totals	1,897	\$5,850,000	

In addition to the funds allocated for capital improvements and land acquisition in the state parks system, repayment for COPs indebtedness is also taken from the state parks portion of PARTF revenues. From July 1 to December 31, 2008, COPs repayment was \$ 465,805 and the total repayment through June 30, 2009 will be \$1,752,404.

**Table 4: State Parks System Land Acquisition Projects for FY 2008 - 2009
Certificates of Participation
October 2008**

Unit	Acres	Proposed	Description
Carvers Creek State Park	698	\$5,175,000	Clark tract in negotiations to protect extensive Sandhills natural communities: Carvers Falls tracts to protect a unique geologic feature
Chimney Rock State Park	275	\$5,725,000	Bottomless Pools, Bat Cave, Rumbling Bald and Round Top Mountain tracts for natural and scenic resource protection.
Elk Knob State Park	100	\$1,000,000	Multiple tracts in the study area for natural and scenic resource protection.
Eno River State Park	75	\$1,000,000	Key habitat and trail connection tracts in the plan
Gorges State Park	180	\$1,300,000	Multiple resource protection tracts in the plan
Lea Island SNA	20	\$1,500,000	Multiple tracts from one landowner for resource protection
Merchants Millpond State Park	250	\$500,000	Bennetts Creek tract that buffers group camp and protects water quality; willing seller
Mount Jefferson State Natural Area	138	\$2,500,000	Vannoy tract on the slopes of the mountain - natural and scenic resource protection
Mount Mitchell State Park	25	\$400,000	Olge Ridge tract - resource protection and trail
Mountains-to-Sea State Trail	250	\$3,000,000	Orange County and Wake County keystone projects. Specific tracts to be determined.
Stone Mountain State Park	85	\$900,000	Multiple tracts in Big Sandy watershed for natural resource protection from willing sellers
Yellow Mountain State Natural Area	200	\$2,000,000	Rogers and Spears Top tracts in study area for this new state natural area
Totals	2,296	\$25,000,000	

**Table 5: State Parks System Land Acquisition Projects for FY 2007 – 2008
Certificates of Participation (COPS)
Revisions Approved October 2008**

Unit	Acres	Approved Cost	Revised Cost	Description
Chimney Rock State Park	250	\$5,500,000	\$5,500,000	Move Bottomless Pools to 2008 list, amend in additional tracts at Rumbling Bald, Bat Cave and Round Top Mountain tracts for resource protection
Grandfather Mountain State Park (Proposed)	1,602	\$0	\$6,000,000	Initial acquisition of mountain both underlying fee simple and conservation easement for the protection of natural and scenic resources
Elk Knob State Park	2,269	\$13,100,000	\$7,100,000	Long Hope Valley property for natural and scenic resource protection – revised cost because a conservation easement for most of the property instead of all fee simple
Elk Knob State Park	400	\$3,826,000	\$3,826,000	Snake Mountain and Elk Knob tracts for natural and scenic resource protection: 2 of 3 initial tracts under contract, with 3rd in negotiations: amend in current tracts in appraisals or negotiations
Deep River State Trail	73	\$500,000	\$500,000	Tracts near White Pines for water quality and natural resource protection - spent
Eno River State Park	20	\$500,000	\$500,000	Resource protection tracts at the Pumpstation access - spent
Haw River State Park	800	\$17,000,000	\$17,000,000	Key tracts in core area of state park, both up and down stream of the Summit - spent
Mount Mitchell State Park	65	\$1,000,000	\$1,000,000	Tracts for natural and scenic protection of the Black Mountains - under contract Fall 2008 NHTF request = \$963,700
Mountains-to-Sea State Trail	200	\$2,000,000	\$2,000,000	Alamance County keystone tracts for state trail -one tract under contract and the other in late stages of negotiations
Mountains-to-Sea State Trail	250	\$3,000,000	\$3,000,000	Guilford County Keyston tracts for state trail - under contract
Mountains-to-Sea State Trail	212	\$3,574,000	\$3,574,000	Tracts along the Neuse River where Marks Creek joins the river for state trail - under contract
Totals	5,674	\$50,000,000	\$50,000,000	

(Revisions shown in bold and the top rows of the table)